

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 33(L&C)
(H) Publish Date: 3/17/05

Revision Date/Time (Note if correction): Dept. Affected: DPS
Title "An Act relating to regulations that may RDU Fire Prevention; AST; Statewd Supp
govern the conduct of small businesses . . ." Component FP Operations; AST Director's Office;
Sponsor Representative Meyer AK Records & Identification
Requester House Labor & Commerce Component No. 494; 508; 1190

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*****	*****	*****	*****	*****	*****

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires agencies adopting regulations to consider the impacts of those regulations on small businesses. Agencies must prepare a economic effect statement and a regulatory flexibility analysis as defined in the bill.

At this time, the Department of Public Safety (DPS) is unable to quantify the costs that will be incurred by passage of this legislation. However, the department's regulations do impact small businesses in Alaska, and the bill will have a cost. This fiscal note assumes that the Department of Commerce, Community, and Economic Development (DCCED), as the lead agency, will develop methodologies to assist in estimating the number of small businesses by type that would be impacted by any change in a particular regulation or set of regulations. Discussion of the potential impacts on small businesses by DPS' regulations follow:

Prepared by: Joan Kasson, Program Budget Analyst IV Phone 907-465-2640
Division: Administrative Services Date/Time 3/3/05 12:00 AM
Approved by: Commissioner William Tandeske Date 3/3/2005
Agency: Department of Public Safety

FISCAL NOTE #2

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BILL NO. CSHB 33(L&C)

ANALYSIS CONTINUATION

The largest impact will be felt by the Division of Fire Prevention, which is responsible for the fire, building, and mechanical safety codes. These codes are lengthy and complex, and are revised approximately every two years after the adoption of revisions to the international codes by the International Code Council. Most changes are not enforced unless a new building is constructed or an existing building undergoes major renovation. Projecting how many small businesses might fall under the new provisions would be difficult. It would also be difficult to determine the cost of any particular provision in the fire, building, or mechanical code, much less the cost of all provisions that may impact any particular project. For example, if automatic fire sprinkler requirements increase, a building owner would incur an initial expense to meet those requirements, but would protect his investment and lower his fire risk over the long run. At the same time, the sprinkler supplier and installer would gain revenue from this new business. An economist would be necessary each time the division revised the approximately 1,270 pages of these codes, and the required analyses would add considerable time to the regulations process.

Alaska Records and Identification will also be impacted, although to a lesser degree. This bureau regulates security guard and process server businesses, as well as providers of the handgun training required for an Alaska concealed handgun permit. The bureau also processes all criminal background checks required for employment in certain fields (i.e., school bus drivers, day care providers, security guards, etc.), for which a regulated fee is charged, sometimes paid by the employee, sometimes by the business, sometimes by a government agency, and sometimes by a non-profit organization. The regulations governing these activities are not revised as often, and in the case of security guard, process server, and handgun training, impact a relatively small number of specific private businesses. The fees for the employment related criminal records checks span a wider range of businesses. In either case, however, the department does not have the staff or knowledge to perform the required analyses. Even if DCCED provided general economic consultant assistance, DPS staff time would be required to assist them, and presumably DCCED would charge for their services.

At this time, the department does not believe current Alaska State Trooper regulations impact private businesses significantly, if at all. However, future changes in state law could change this at any time. For example, bills currently under consideration by the Twenty-fourth Alaska State Legislature would regulate the sale of certain chemicals and precursors used in the manufacture of methamphetamine. As these substances are sold by stores of all types across the state, the impact of regulations to implement a law resulting from any of these bills would fall under CSHB 33 WD 'J'.

Without additional information about how this law has been implemented in other states by agencies similar to DPS and what kind of assistance would be provided by DCCED, the department is unable to estimate what the cost will be in Alaska.